



North Carolina Rural Water Association, Inc[®]

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NC Rural Water Association Statement to ERC Subcommittee on Water/Sewer Systems on
Wholesale Issues/Modification of Sub-basin Transfers

The North Carolina Rural Water Association, Inc. (NCRWA) supports the ability of systems to best utilize existing infrastructure capacity through wholesale agreements to sell capacity to other systems. This benefits the people of the state, the environment, and the State's economic growth and competitiveness and is an efficient use of resources. Currently, we recognize the following top three prohibitions to increasing the ability for systems to improve on their wholesale opportunities, as buyers and sellers:

1. Interbasin transfer (IBT) laws restricting the movement of water within the same major river basins due to sub-basins being considered separate river basins under state law.
2. Significant costs to interconnect systems that could provide wholesale opportunities.
3. The difficulty in permitting and siting new reservoirs.

Addressing only the first of these three issues, the following steps could be taken to address the statutes and laws placed on sub-basins that currently restrict the ability to better utilize existing water treatment plant and water supply capacities.

1. Define and identify the sub-basins separately from the major river basins in the North Carolina General Statutes, and direct that conforming changes be made to the North Carolina Administrative Code.
2. Regarding sub-basins, expand current exemptions as to what does not constitute a transfer. A major step in this effort is to provide that water sold through a wholesale agreement is "not a transfer".
3. Develop different requirements for transfers within sub-basins for different types of ownership rights. We understand now that a certificate that is issued as a result of an application for an IBT is a permanent right. If rights to withdraw are for limited time periods, then different requirements for obtaining approval for such transfers could be developed. This would include provisions for the differences between registrations of transfers, permits for transfers, and certificates for transfers, and distinguishing between what transfers are permanently granted and what transfers have some permitted length.
4. Amend the application process and requirements for sub-basin transfers to facilitate the transfer of water within the same major river basin.
5. Expand the existing exemptions contained within the current IBT laws, in general, to facilitate the transfer of water.

For further information, please contact NCRWA Executive Director, Daniel Wilson, or NCRWA's lobbyist, Jon Carr.